

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 31

STATE OF NEW JERSEY

DATED: JUNE 19, 2017

The Assembly Budget Committee reports favorably Assembly Bill No. 31.

This bill increases the maximum cash assistance benefit for families participating in the Work First New Jersey (WFNJ) program. The WFNJ program provides cash and other assistance to low-income New Jersey residents to alleviate the negative effects of poverty. WFNJ includes the Temporary Assistance to Needy Families (TANF) program, which assists families with dependent children, and General Assistance, which assists adults without dependent children.

Currently New Jersey's maximum benefit amount for WFNJ recipient households is \$424 per month for a family of three. The bill would increase this amount to \$466 in Fiscal Year (FY) 2018, \$509 in FY 2019, and \$551 in FY 2020. For FY 2021 and each year thereafter, the maximum benefit would be annually adjusted according to the cost of living adjustment applied under the federal Social Security program.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill will increase State expenditures by approximately \$10.9 million in Fiscal Year (FY) 2018 over a baseline estimate, \$20.7 million in FY 2019, and \$29.4 million in FY 2020. These estimates are based on current projections by the Executive for participation in the Work First New Jersey (WFNJ) program in FY 2018, and an estimated decline in participation of five percent per year in subsequent years.

Federal funds from the Temporary Assistance to Needy Families (TANF) program may be used to pay for part of the increased benefits provided under the bill. However, federal TANF funding is provided in the form of a block grant, so any federal funds used to support cash assistance benefits would be unavailable for other TANF-related spending, such as child care or emergency assistance. This fiscal estimate assumes that all increased costs would be paid from the State General Fund.